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Review of the resource requirements for the high-level international intergovernmental event on financing for development and the Third United Nations Conference on the Least Developed Countries

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the note by the Secretary-General on the review of the resource requirements for the high-level international intergovernmental event on financing for development and the Third United Nations Conference on the Least Developed Countries (A/C.5/54/58), as requested by the General Assembly in paragraph 5 of its resolution 54/258 of 7 April 2000, and the statement on programme budget implications of draft resolution A/54/L.82, submitted in accordance with rule 153 of the rules of procedure of the General Assembly (A/C.5/54/59). During its consideration of the matter, the Advisory Committee met with representatives of the Secretary-General, who provided additional information.

Third United Nations Conference on the Least Developed Countries

2. The Advisory Committee recalls, as indicated in its previous report (A/54/7/Add.13, para. 7), that in paragraph 14 of its resolution 54/235 of 23 December 1999 the General Assembly decided to defray the cost of participation of two government representatives from each least developed country in the meetings of the Preparatory Committee and the Conference itself (estimated at $1,164,500 and $500,500 respectively; see A/C.5/54/43, para. 10) through the use of extrabudgetary resources. Subsequently the Assembly, in its resolution 54/258, reaffirmed its decision contained in section XIV of its resolution 54/251 of 23 December 1999 to retain the unspent balance from the regular budget for the biennium 1996-1997 and to maintain the special account set up to handle those funds until all activities and programmes approved by the Assembly in its resolution 53/3 of 12 October 1998 were completed. Furthermore, in its resolution 54/258, while noting with concern that no extrabudgetary resources had been received to date, the Assembly requested the Secretary-General to explore ways of providing the resource requirements for the high-level international intergovernmental event on financing for development and the Third United Nations Conference on the Least Developed Countries and to report to it at the second part of its resumed fifty-fourth session.

3. The note by the Secretary-General on the review of resource requirements for the high-level event and the Conference (A/C.5/54/58, para. 3) indicates that no contribution had been received as at that date in

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response to the note verbale sent on 14 February 2000 by the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) to States members. Further, the note indicates that a balance of $113,000 in the Trust Fund for the Participation of Least Developed Countries in Intergovernmental Meetings had been identified which, with the approval of the General Assembly, could provide a portion of the $582,000 required for the participation of least developed countries in the first session of the Preparatory Committee (ibid., para. 4). **The Assembly may wish to take a decision in this regard. However, even if the amount of $113,000 is made available, a balance of $469,000 would still be required to defray the costs of participation of government representatives of least developed countries in connection with this first session.**

4. The Advisory Committee notes that, in order to meet the additional requirements, the Secretary-General has proposed, in the event that no contributions were received before the opening of the first session, the utilization, on an exceptional basis, of the savings on exchange rates achieved since the beginning of the current year in respect of the regular budget appropriation for UNCTAD (ibid., para. 6). These savings are projected by the Secretary-General to total $700,000 at 31 May 2000 in respect of section 11A of the programme budget for the biennium 2000-2001.

5. **The Advisory Committee points out that the procedure proposed in paragraph 6 of the Secretary-General's note is unusual and inadvisable in that it anticipates appropriation of savings resulting from currency fluctuations. Such savings, if any, would not in fact be known until the performance report for the period in question was prepared. Moreover, according to representatives of the Secretary-General, the savings to be utilized would be restricted to a specific budget section. The Committee is of the opinion that the Secretary-General should have requested commitment authority for the $469,000 balance. Such additional appropriation as would be necessary could then be addressed in the context of the first performance report for the programme budget for the biennium 2000-2001 and, if desired, consideration could also be given to the use of the contingency fund. In this connection, the Committee enquired of the representatives of the Secretary-General as to their views on the possibilities for use of the contingency fund in this instance, but did not receive a reply.**

6. As for the resources required for the second session of the Preparatory Committee and the Conference ($1,083,000), the Advisory Committee notes that the Secretary-General proposes to bring the situation to the attention of the General Assembly at its fifty-fifth session for appropriate action together with any other additional requirements that may be considered necessary in order for UNCTAD to carry out this activity, should there continue to be a shortfall in the availability of extrabudgetary resources. **The Advisory Committee agrees with this proposal.**

7. **The Advisory Committee recalls and reiterates its observations and recommendations contained in paragraph 4 of its previous report (A/54/7/Add.13).**

High-level international intergovernmental event on financing for development

8. In connection with the high-level event, the Advisory Committee recalls that in its previous report (ibid., para. 2) it had agreed with the Secretary-General's proposal to revert to the matter of the resource requirements for the event after the clarification of the issues and the holding of the consultations described in his note on the review of resource requirements for the event (A/C.5/54/50, para. 2), when he would be in a better position to address the issue. The Committee notes that the Preparatory Committee for the high-level event, at its session held on 31 March 2000, recommended that the General Assembly adopt draft resolution A/54/L.82, in which it would, among other things, approve the proposals and recommendations contained in the report of the Bureau of the Preparatory Committee (A/AC.257/6) and decide that the Preparatory Committee should hold two substantive two-week sessions in both the first and second quarters of 2001 at United Nations Headquarters, as indicated in the Secretary-General's statement on programme budget implications (A/C.5/54/59, para. 2).

9. The statement on the programme budget implications of draft resolution A/54/L.82 indicates that additional requirements of approximately $154,500 would arise under the programme budget for the biennium 2000-2001 and would provide for the travel

and daily subsistence allowance of participants in the consultations of the Bureau of the Preparatory Committee with intergovernmental stakeholders (Bretton Woods institutions, the World Trade Organization and the regional commissions) and other stakeholders (non-governmental organizations and the business sector) (ibid., para. 3).

10. **The Advisory Committee points out the unusual nature of the request made in paragraph 7 of draft resolution A/54/L.82 and cautions that a decision by the General Assembly to approve this would constitute a precedent for the possible use of the regular budget for similar purposes in future.**

11. **In any case, with regard to paragraph 3 (a) of the statement of programme budget implications, the Advisory Committee is of the opinion that the Secretariat should have further explored the possibility of conducting the consultations with the intergovernmental stakeholders through videoconferencing, thus generating savings on the $119,400 earmarked for this purpose, and that it should make a point of doing so when similar circumstances arise in future. With regard to the possibility of using extrabudgetary resources, the Committee was informed that a trust fund was in the process of being established.**

12. **Moreover, the Advisory Committee points out that the estimated additional requirements are based on the assumption that all 15 members of the Bureau will seek such reimbursement. However, to the extent that this is not so, there would be savings.**

13. As regards the holding of the two two-week substantive sessions of the Preparatory Committee, as indicated in paragraph 8 above, the Advisory Committee notes that the Secretary-General stated that the conference-servicing requirements would be met on an as-available basis and that the cost would be met within the overall level of resources approved for conference services for the biennium 2000-2001 (A/C.5/54/59, para. 5).

14. The Advisory Committee notes from the statement that the Secretary-General is proposing that the General Assembly authorize him to incur the related expenditures up to $154,500 and that it request him to report to the Assembly on the actual requirements for implementing the activities specified in draft resolution A/54/L.82 in the context of the first performance report for the biennium 2000-2001, at which time, if additional resources were required, recourse would be had to the contingency fund (ibid., para. 7).

15. **The Advisory Committee points out that the formulation of paragraph 7 of the Secretary-General's statement is not fully consistent with past procedure or with the requirements of General Assembly resolutions 41/213 of 19 December 1986 and 42/211 of 21 December 1987. These resolutions require that information be provided on the possibility for redeployment or deferral of existing activities in case the balance remaining in the contingency fund is insufficient. Moreover, the amount to be appropriated as a charge against the contingency fund has not, in the past, been linked to the outcome of the performance report, as these are two separate exercises. Accordingly, the Advisory Committee recommends that the Fifth Committee inform the Assembly that, should it adopt draft resolution A/54/L.82, additional requirements totalling up to $154,500 would arise under the programme budget for the biennium 2000-2001, subject to the procedures of the contingency fund.**

16. The Advisory Committee further notes that the payment of travel and subsistence allowance to the members of the Bureau would imply a waiver of the provisions contained in General Assembly resolution 1798 (XVII) of 11 December 1962 regarding such payment to members of organs and subsidiary organs of the United Nations (ibid., para. 8). **The Assembly may wish to take a decision in this regard.**